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POSTAL RATE COMMISSION OFFICE OF THE SECRETARY

BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF PITNEY BOWES, INC. (PB/USPS-1)

The United States Postal Service hereby provides its response to the following interrogatory of Pitney Bowes, Inc.: PB/USPS-1, filed on March 7, 2000.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

Susan M. Duchek

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2990 Fax –5402 March 21, 2000

Response of United States Postal Service to Interrogatories of Pitney Bowes, Inc.

PB/USPS-1. Please refer to your response to PB/USPS-T11-10.

- a. In what cost segment(s) does the Postal service record the \$1,300,000 expense for order forms and other such costs for stamps by mail?
- b. Please explain whether the Postal Service classifies the \$1,300,000 as a volume variable or institutional cost.
- c. Is the \$1,300,000 included in the \$36,000,000 expense for stamps by mail cited in your response to PB/USPS-T11-12, or does it represent an additional cost of that program?

Response:

- a. Cost Segment 16, Component 179, Headquarters' printing and reproduction.
- b. Institutional.
- c. It is included in the \$36,000,000.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Susan M. Duchek

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 (202) 268–2990 Fax –5402 March 21, 2000